

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-1188-C - ORDER NO. 95-1685 ✓
November 21, 1995

IN RE: MobileMedia Communications,) ORDER
Inc. - Application to Issue) APPROVING
Corporate Securities.) FINANCING
) ARRANGEMENTS

MobileMedia Communications, Inc. (the "Applicant") filed an application with the Public Service Commission of South Carolina (the "Commission") seeking authority to issue corporate securities. Authority to issue instruments defined as "securities" in Section 58-11-10 (i), Code of Laws of South Carolina, 1976, as amended, (the "Code") is required because the Applicant is a "radio common carrier" holding a Certificate of Public Convenience and Necessity issued by this Commission, and Section 58-11-240 of the Code requires such authority.

The Commission previously authorized the Applicant to issue Senior Subordinated Notes due 2007 as requested in the application filed by Applicant. Subsequently, the Applicant supplemented its application to request authority to issue additional "securities" in the form of promissory notes executed and delivered in connection with borrowings from one or more banks. Applicant submitted in support of its request for authority to issue the promissory notes (the "Bank Notes") a commitment letter outlining the terms of a new credit facility from Chemical Bank, The Chase Manhattan Bank (National Association), and other lenders

participating with these lenders in extensions of credit under the credit agreement. Additional information concerning the credit facility appears in the Forms S-1 submitted with the original application. The Applicant also submitted information concerning the effect of the bank financing on its capital structure, financial statements, and the uses of the funds derived from borrowings under the credit facility.

The commitment letter for the credit facility makes available to the Applicant two separate term loans, which for purposes of this Order are referred to as Term Loan A (\$600 million) and Term Loan B (\$200 million), and a revolving credit arrangement permitting borrowing up to \$200 million. Term Loans A and B may be used to refinance the Applicant's current bank debt, to fund a portion of the MobileComm acquisition, to pay future capital needs, capital expenditures and the cost of certain acquisitions, and for general corporate purposes. The revolving credit arrangement permits drawings for the same purposes and for other limited uses. The commitment letter requires that loans evidenced by the Bank Notes be secured by a pledge of all assets of the Applicant including the South Carolina facilities. The amounts available under Term Loan A and Term Loan B are reduced by the net proceeds raised in the Senior Subordinated Notes due 2007 offering.

After examining the evidence submitted by the Applicant in support of the request for authority to issue the Bank Notes, the Commission believes the requested authority should be granted, since the Commission believes that the uses to which the funds to be drawn under the credit facility may be put will strengthen and

enhance Applicant's ability to provide quality communications service to its customers, including those in South Carolina.

The Commission believes that the terms of the credit facility relating to repayment, interest rate, security and all other matters are best left to the negotiations between the borrower and the lenders, and therefore this Order should not be construed to impose or imply any guaranty or obligations as to the Bank Notes on the part of the State of South Carolina, or any agency thereof, nor shall the Commission by virtue of its authorization of the issuance of the Bank Notes be deemed to be required to prescribe or approve any rate for the reason that such rate may be necessary to provide funds reasonably sufficient to retire the Bank Notes or the interest thereon.

The Commission further believes that while the borrower and the lenders are free to make mutually satisfactory arrangements with respect to securing the borrower's obligation to repay the debt evidenced by the bank Notes with the Applicant's assets, including the assets used to provide service to South Carolina customers, the realization of the lender's security in the event of default will require compliance with the laws of the State of South Carolina relating to the transfer of the property, powers, franchises or privileges of radio common carriers certificated by this Commission to provide service to South Carolina customers. These requirements include approval of the Commission after notice and hearing pursuant to Section 58-11-140 of the Code.

Having reviewed the application and evidence submitted by the Applicant in this matter, the Commission finds the facts to be as

set forth in this Order, and the Commission believes that the requested authority should be granted.

CONCLUSIONS OF LAW

1. The purposes of the issuance of the Bank Notes are lawful objects within the corporate purposes of Applicant, and are within the authority and purposes set forth in the Applicant's charter. For the reasons set forth herein, the issuance of the Bank Notes will be compatible with the public interest, are necessary and appropriate for, and consistent with, the proper performance by the Applicant of its service to the public as a utility, will not impair its ability to perform that service, will be reasonably necessary and appropriate for such purpose, and will be in the public interest.

2. The Applicant's financial condition, and its previous operations, so far as relevant, are shown in audited financial statements for prior years contained in Form S-1 filed by the Applicant in this matter.

3. The Bank Notes to be issued pursuant to the authority granted by this Order are to be issued in amounts up to those set forth in the commitment letter, and the purposes for which the Bank Notes are to be issued are as set forth in the commitment letter and previously in this Order.

4. The Applicant will receive cash consideration upon issuance of the Bank Notes.

5. The terms and conditions of the Bank Notes are as set forth in the commitment letter.

6. Approval of the issuance of the Bank Notes does not bind

the Commission to the rate-making treatment of the issuance, nor imply any obligation or guaranty by the State of South Carolina or any agency thereof with respect to the Bank Note, nor impose any liability on the Commission.

7. This Order shall not, in any way, affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications, or changes with respect to any provision of this Order in accordance with the law.

8. This Order shall be deemed the Certificate of Authority to issue the Bank Notes in the amounts set forth in the commitment letter as required by Section 58-11-240 of the Code.

IT IS THEREFORE ORDERED:

1. That MobileMedia Communications, Inc. be and it is hereby authorized, empowered and permitted to issue the Bank Notes upon the terms and conditions set forth in the application and this Order.

2. Approval of this application does not bind the Commission as to the rate-making treatment of this issuance, nor imply any obligation or guaranty by the state of South Carolina or any agency thereof with respect to the Bank Notes, nor impose any liability on the Commission.

3. This Order shall be deemed the Certificate of Authority required by Section 58-11-240 of the Code to issue the Bank Notes.

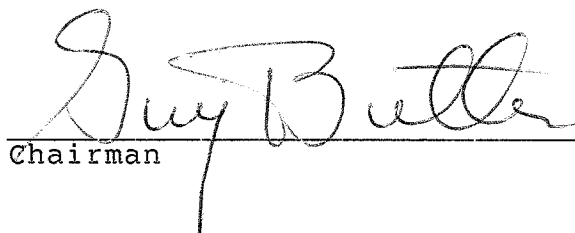
4. This Order shall not, in any way, affect or limit the right, duty or jurisdiction of any Commission to investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law.

5. This Order shall be effective upon issuance and shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

VICE

Chairman



ATTEST:



Executive Director

(SEAL)